Paid Lunch Equity

Hawaii Child Nutrition Programs SY 2016

Paid Lunch Equity (PLE)

• Interim Rule: NSLP School Food Service Account Revenue

 Intent: To ensure that sufficient funds are provided to the food service account for paid lunches

Overview

- State Agencies compare the average price for paid lunches to the difference between the per meal Federal reimbursement for free and paid lunches
- For SY 2014-2015, if SFA's average price for paid lunches is ___\$3.16_ or more, it is in compliance

Free reimbusement rate	\$ 3.49
Paid reimbursement rate	\$ 0.33
	\$ 3.16

Overview continued

• For SY 2015-2016, if SFA's average price for paid lunches is <u>\$3.26</u> or more, it is in compliance

Free reimbusement rate	\$ 3.60
Paid reimbursement rate	\$ 0.34
	\$ 3.26

TIPS

- 1) Have last year's completed PLE Tool Available for reference
- 2) Were credits carried over from last year?
- 3) Is the current weighted average paid lunch price above the requirement?
- 4) Only the tab(s) **relevant** to the SFA's selection of method to meet PLE requirements need to be completed

Calculating Paid Lunch Equity (Hawaii's example)

		2010-	11	20	11-12	20	12-13	20	13-14	20:	14-15	20	15-16	2016-	17
FR/PD Di	fferential	\$	2.88	\$	2.94	\$	3.03	\$	3.10	\$	3.16	\$	3.26		
		Wgted Av	g	Wgte	d Avg	Wgte	d Avg	Wgte	d Avg	Wgte	d Avg	Wgte	d Avg	Wgted Av	vg
		Lunch Pri	ce	Luncl	n Price	Lunch	Price	Lunch	Price	Lunch	Price	Lunch	n Price	Lunch Pri	ice
2%+Consumer Price Index		SY 2010-1				SY 20:	12-13	SY 20	13-14	SY 201	14-15	SY 20	15-16	SY 2016-2	17
		\$ 2	.75	Base	year										
2%+1.14%	3.14%			\$	2.84	(2.94+ 2.75	+3.14%)+	←							
2%+2.18%	4.18%				1	\$	2.97	(3.03 [°] 2.84	*4.18%)+						
2%+2.93%	4.93%							\$	3.10						
2%+2.27%	4.27%									\$	3.16				
2%+2.19%	4.19%											\$	3.26		
2%+2.97%	4.97%														

*At this point the FR/PD Difference equal the weighted lunch price

Increasing Revenue for Paid Lunch

- If an SFA's average price for lunches is less than the difference between free & paid reimbursements, it must increase the revenue by 2% plus inflation by either
 - 1. Increasing the average price charged for paid meals
 - 2. Adding non-Federal funds to the food service account
 - 3. Both

Option 1: Increase the Paid Lunch Price

- For SFAs that charge less than \$3.26 for paid lunch, the average paid lunch price must be increased by:
 - O 2% + 2.19% Consumer Price Index (CPI) annually until the minimum price is met
 - O SY 2015-2016 minimum price \$3.26
- If your price increase is more than the minimum required you may apply the excess increase to future years

Option 2:Use Non-Federal Funds

Add non-Federal funds to the non-profit food service account to cover the deficit

Non-federal funds include:

- Per-meal non-Federal reimbursement for any paid meal (breakfast, lunch, etc)
- 2. Any funds provided by organizations for any paid meal
- 3. Any proportion attributable to paid meals from direct payments made from school district funds to support lunch service

Option 3: BOTH

Use the SPLIT Calculator

Increase Paid Lunch Price

+

use Non-Federal Funds

Instructions

SFA NAME:

School Year (SY) 2016-17 Paid Lunch Equity (PLE) Tool Instructions

Note: Users may want to print the instructions and use them to guide users through the PLE Tool.

The PLE Tool was created to help School Food Authorities (SFAs) calculate their paid lunch price increase requirement and/or non-Federal source contributions to meet the requirements in Secti 205 of the Healthy, Hunger-Free Kids Act of 2010. If the pricing requirements calculated by the PLE Tool are not met or are exceeded, the PLE Tool will also calculate any amounts, including credits or deficits carried over into the next year. Note, the weighted average prices calculated in the PLE Tool are the weighted average of all student paid lunch prices charged in the SFA.

TIPS:

- 1) Have last year's PLE Tool available for reference
- 2) Were credits carried over from last year?
- 3) Is the current weighted average paid lunch price above the requirement?
- 4) Only the tab(s) relevant to the SFA's selection of method to meet PLE requirments need to be completed
- 5) The \$.10 cap does not mean that every SFA will raise the weighted average paid lunch price or contribute the equivalent in non-Federal funds. Depending on where the SFA is at in regards to meeting the PLE requirement, they may need to contribute less than \$.10 or may choose to contribute more than \$.10.

Increasing Paid Meal Prices

- SFAs have the flexibility to determine how they wish to distribute the average price increase among their schools to reach the new average lunch price
- SFAs may increase their average paid meal prices more than the required amount
- A "credit" for future required increases will be given to SFAs for any amount increase over the required amount

Option 1: Increasing Paid Meal Prices

- In any year, any new *average* price increase may be—
 - Rounded down to the nearest 5 cents
 - · Limited to a maximum required increase of 10 cents

Option 1: Increasing Paid Meal Prices (Step 1)

Step 1						
Enter the SY 2015-16 Unrounded Price Requirement in the box below SY 2016-17 Weighted Average Price Requirement						
the SY 2015-201	nd in Section 1: Box A of 6 REPORT from the SY 1 may find it below (Price 2)	Requirement pri	ce to the nearest cent			
\$	3.15	\$	3.26			
Note: Above prices are based on adjusting						

Use the links below to go to the next step:

SY 2015-2016 price requirement by the 2% rate increase plus the Consumer Price Index (2.97%)



Option 1: Increasing Paid Meal Prices SY 16-17 Price Calculator (Step 2a)

SY 2015-16 Weighted Average Price Calculator								
Enter the paid prices and number of paid lunches sold at each price for October 2015.								
Monthly # of Paid Lunches	Paid Lunch Price	Monthly Revenue	SY 2015-16 Weighted Average Price					
100	\$ 3.15	\$ 315.00						
	1	\$ -						
		\$ -						
		\$ -						
		\$ -						
		\$ -						
		\$ -						
		\$ -						
		\$ -						
		\$ -						

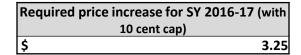
Note: SY 2015-16 Weighted Average Price equal to or above **\$3.26** are compliant for SY 2016-17. **\$3.26** is the difference between the Free and Paid reimbursement rates for SY 2015-16.

315.00 \$

SY 2016-17 Weighted Average Price Requirement						
	equirement price the nearest cent	Optional price requirement ROUNDED DOWN to nearest 5 cent				
\$	3.26	\$ 3.25				
	Note: Above prices	are based on adjusting				

Note: Above prices are based on adjusting SY 2015-2016 price requirement by the 2% rate increase plus the Consumer Price Index (2.97%)

Total Price Increase	
for SY 2016-17	
\$	0.10



	Remaining increase carried forward
	to SY 2017-18
Ś	-

Remaining credit carried forward	
to SY 2017-18	
\$	-



100

Option 1: Increasing Paid Meal Prices SY 16-17 Report (Step 2b)

SY2016-2017 Weighted Average Pricing Report

Section 1: SY2016-2017 Weighted Average Paid Price Requirements

A. SY 2016-17 Weighted Average Price Requirement*: *This price will be entered into the SY 2017-2018 tool to determine the SY2017-2018 weighted average price requirements	\$3.26
B. Optional Price ROUNDED DOWN to nearest 5 cents:	\$3.25

Average Weighted Price Adjustments

Increase SY2016-2017 average weighted price

A. Remaining increase carried forward to SY 2017-18:	\$0.00

B. Remaining credit carried forward to SY 2017-18: \$0.00

Section 2: Amounts Carried Forward to SY 2017-2018

Select the SY 2016-2017 method used to ensure sufficient funds are provided for PAID Lunches

Enter in the new average weighted price for SY 2016-17: \$3.26

Non-Federal Funding Source

- Financial support from non-Federal sources must be cash for direct support for paid lunches, including but not limited to:
 - funds provided by organizations for paid lunches

Non-Federal Funding Sources

- Some examples of <u>unallowable</u> non-Federal support are:
 - in-kind contributions and a la carte sales
 - any payments, including additional per-meal reimbursements, provided for support of the School Breakfast Program or other Child Nutrition Program

Option 2: Increasing Revenue for Paid Lunch-Unrounded Requirement Finder (Step 1)

Step 1						
Enter the SY 2015-16 Requirement in th			ghted Average Price uirement			
This is can be found in Sect 2015-2016 REPORT from to you may find it be	ne SY 2015-16 tool or	Requirement pric	e to the nearest cent			
\$	3.15	\$	3.26			
\$ 3.15 Note: Above prices are based on adjusting SY 2015-2016 price requirement by the 2% rate increase plus the Consumer Price Index (2.97%)						

Use the links below to go to the next step:

Option 2: Increasing Revenue for Paid Lunch-SY16-17 Non-Federal Calculator (Step 2a)

Current Weighted Average Paid Price

Enter in the current weighted average paid lunch price.

Note: If SFA did not change the weighted average paid lunch price in SY2011-2012, SY2012-2013, SY2013-14, SY 2014-15, or SY 2015-16 enter the SY2010-11 weighted average price. Otherwise, click the link below.



Click here to determine SY2015-2016 weighted average price

Option 2: Increasing Revenue for Paid Lunch-SY16-17 Non-Federal Calculator (Step 2b)

Non-Federal Source Contribution Calculator for SY 2016-17

Enter the total paid lunch count (for all prices).

** Annual Non-Federal Source funds for SY2016-2017 are estimated based on the ACTUAL lunch count entered below

Enter annual # of Paid Lunches for SY2014-15**	 Price Increase SY 2016-17	TOTAL SY 2016	i-17 Annual Non-Federal Source Contribution
10,000	\$ 0.10	\$	1,000.00

Note: Total price increase for SY 2016-2017 is based on the difference between the weighted average price entered above and SY 2016-2017 rounded DOWN requirement.

Option 2: Increasing Revenue for Paid Lunch-SY16-17 Non-Federal Calculator (Step 2c)

	of Non-Federal Source Funds 2011-12 through SY 2015-16	Annual Non-Federal Source Contribution Requiremer for SY 2016-17	ıt
\$	100,000.00	\$ -	

•	irement for SY 2016-17 0 cent cap)	n-Federal Source Contribution 10 cent cap)
\$	0.10	\$ -

Remaining Annual Non-Federal Source Contribution carried forward to SY 2017-18

Go to SY 2016-2017 REPORT

Remaining Credit carried forward to SY 2017-18
\$ 99,900.00

Option 2: Increasing Revenue for Paid Lunch SY 2016-2017 Report

(Step 2d)

SY2016-2017 Weighted Average Pricing Report

Contribute Non-Federal sources for SY2016-201 ▼

Section 1: SY2016-2017 Weighted Average Paid Price Requirements

A. SY 2016-17 Weighted Average Price Requirement*: *This price will be entered into the SY 2017-2018 tool to determine the SY2017-2018 weighted average price requirements	\$3.26
B. Optional Price ROUNDED DOWN to nearest 5 cents:	\$3.25

Section 2: Amounts Carried Forward to SY 2017-2018

Select the SY 2016-2017 method used to ensure sufficient funds are provided for PAID Lunches

Non-Federal Source Contributions

C. Remaining Annual Non-Federal Source Contribution carried forward to SY 2017-18:

D. Remaining Credit carried forward to SY 2017-18: N/A

1000

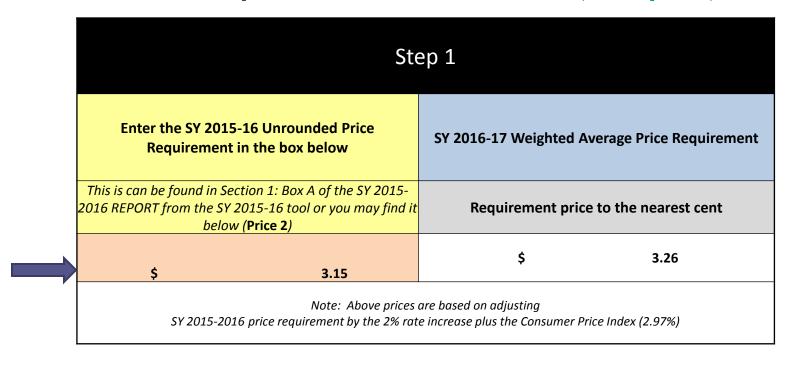
Enter the amount of Non-Federal Source contributions for SY 2016-17:

Enter Sources of Non-Federal Funds Contributed:

General Funds



Option 3: Increasing lunch Price & Contributing a Non-Federal Source Unrounded Requirement Finder (Step 1)



Use the links below to go to the next step:



Option 3 Increasing lunch Price & Contributing a

Non-Federal Source SY 2016-2017 Split Calcualtor (Step 2a)

SY 201	SY 2015-16 Weighted Average Price Calculator		
Enter the pa	•	of paid lunches sold at e	each price for
Monthly # of Paid Lunches	Paid Lunch Price	Monthly Revenue	SY 2015-16 Weighted Average Price
1,000	\$ 3.15	\$ 3,150.00	
	•	\$ -	
		\$ -	
		\$ -	
		\$ -	
		\$ -	
		\$ -	
		\$ -	
		\$ -	
		\$ -	
1,000		\$ 3,150.00	\$ 3.15

Note: SY 2015-16 Weighted Average Price equal to or above \$3.26 are compliant SY 2016-17. \$3.26 is the difference between the Free and Paid reimbursement rates for SY 2015-16.

SY 2016-17 Weighte Require	_
Requirement price to the nearest cent	Optional price requirement ROUNDED DOWN to nearest 5 cent
\$ 3.26	\$ 3.25

Note: Above prices are based on adjusting SY 2015-2016 price requirement by the 2% rate increase plus the Consumer Price Index (2.97%)

Total Price Increase for SY 2016-17	
\$	0.10

Require	d price increase for SY 2016-17 (with 10 cent cap)
\$	3.25

Option 3 Increasing lunch Price & Contributing a Non-Federal Source SY 2016-2017 Split Calculator (Step 3 & 4)

New Price Increase

Enter the new price increase for SY2016-2017 to assist in meeting the requirement. See optional Pricing Estimation Calulator below if needed.

3.25

Non-Federal Source Contribution Calculator for SY 2016-17

Enter the total paid lunch count (for all prices). ** Annual Non-Federal Source funds for SY2016-2017 are estimated based on the ACTUAL lunch count entered below

Enter annual # of Paid Lunches for SY 2014-15**	Total remaining required Price Increase	TOTAL SY 2016-17 Annual Non-Federal Source Contribution
10,000	\$ -	\$ -

Note: Total price increase for SY 2016-2017 is based on the difference between the weighted average price entered above and SY 2016-2017 rounded DOWN requirement.

Enter total amount of Non-	
Federal Source Funds	Annual Non-Federal Source
Contributed for SY 2011-12	Contribution Requirement
through SY 2015-16	for SY 2016-17
\$ 100,000.00	\$ -

Price Increase Requirement	SY 2016-17 Annual Non-
for SY 2016-17	Federal Source Contribution
(with 10 cent cap)	(with 10 cent cap)
\$ -	\$ -

Remaining Annual Non-Federal Source Contribution Requirement carried forward to SY 2017-18

Remaining Credit carried forward to SY 2017-18 100,000.00

Option 3 Increasing lunch Price & Contributing a Non-Federal Source SY 2016-2017 Report (Step 5) SY2016-2017 Weighted Average Pricing Report

Section 1: SY2016-2017 Weighted Average Paid Price
Requirements

SY2016-2017 Weighted Average Pricing Report

Both

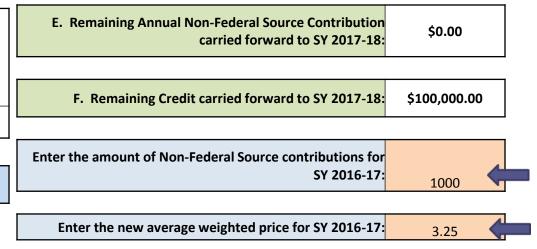
Split Calculations

Both average weighted price adjustments and Non-Federal source contributions

\$3.26	A. SY 2016-17 Weighted Average Price Requirement*: *This price will be entered into the SY 2017-2018 tool to determine the SY2017-2018 weighted average price requirements
\$3.25	B. Optional Price ROUNDED DOWN to nearest 5 cents:

Section 2: Amounts Carried Forward to SY 2017-2018

Select the SY 2016-2017 method used to ensure sufficient funds are provided for PAID Lunches



Completed PLE Form

Deadline: August 1, 2016

E-mail the completed PLE electronic spreadsheet to your deborah_sakamoto@notes.k12.hi.us.

Please do not send scanned or faxed copies.

- For technical assistance, please contact Shaynee Moreno
- Email: Shaynee_Moreno@notes.k12.hi.us

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Resources

- The SY 2016-2017 PLE tool used to calculate increases is available on our website at http://hcnp.hawaii.gov/, Go to NSLP, Paid Lunch Equity
- SP 09-2016 USDA Memo is also in that above area
- Previous versions of the PLE